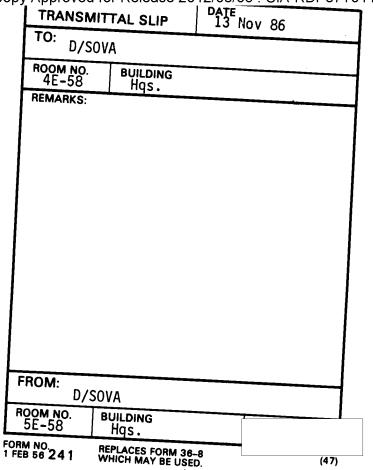
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Central Intelligence Agency



13 November 1986

MEMORANDUM FOR: James F. Lemon

Executive Secretary

Office of the Secretary of Defense

SUBJECT:

Review of the Draft FY 1988 Annual Defense Report

ched.	The CIA poin	t of contact for t	his report is	
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Attachment: As stated



Comments on Secretary of Defense Posture Statement for FY 1988

Part I Chapter A

Reference: Page 1-A-10, para 1, line 5 (CIA)

Comment: Insert "15"

Rationale: Latest estimate of percent of Soviet defense budget devoted

to manpower costs.

Reference: Page 1-A-10, Chart 1.A.2 (CIA)

Comment: Information to update this chart will be available in mid-

December. We will update it at that time.

Reference: Page 1-A-11, para 1, lines 5-8 (CIA)

Comment: Change \$700 billion to \$600 billion.

Rationale: We estimate the Soviets spend 15 percent of their GNP on

defense. According to our figures the US GNP as of May 1986 was \$3,988,500,000. Fifteen percent of that would be slightly

less than \$600.

Reference: Page 1-A-12, Charts 1.A.3 and 4 (CIA)

Comment: Information to update these charts will be available in mid-

December. We will update them at that time.

Reference: Page 1-A-13, para 1, lines 2-3 (CIA)

Comment: Change sentence to read: "The fact that the dollar value of

Soviet military investment during the 1970s would have been 70 percent greater than ours shapes the reality we confront

today."

Rationale: CIA estimates of Soviet costs in dollars measure what it would

cost the US to fund such a force. They do not measure actual Soviet spending or investment. We estimate Soviet investment would have been 70 percent greater than US if measured in

equivalent dollars.

Reference: Page 1-A-13, para 2, lines 12-14 (CIA)

Comment: Delete sentence

Rationale: It is not clear what this sentence means or what point is

being made.

Reference: Page 1-A-14, Chart 1.A.5 (CIA)

Comment: Information to update this chart will be available in mid-

December. We will update it at that time.

Part I Chapter B

Reference: Page 1-B-6, para 3, line 1 (CIA)

Comment: Change "Bear-B" to "Bear-H"

Rationale: Accuracy

Page 1-B-7, 8, Charts 1.B.1 and 2 Reference: (CIA)

Comment: Information to update these charts will be available in mid-

December. We will update them at that time.

Reference: Page 1-B-24, para 2, line 2 (CIA)

Delete - ...opposition SSBN forces... Comment:

Insert - ...forces capable of threatening Soviet territory,

especially US aircraft carriers...

Rationale: To conform with Intelligence Community estimates.

Reference: Page 1-B-24, para 3, line 7 (CIA)

Comment: Insert - ...older "air force" Bear...

The aircraft being referred to belong to the Soviet Air Force, Rationale:

not the Soviet Navy.

Reference: Page 1-B-26, para 1, lines 6-7 (CIA)

Comment: Insert - ...include the "southern" Norwegian Sea, and

northwest Pacific."

Delete - ... Sea of Okhotsk and Sea of Japan.

Rationale: "Sea-denial" areas are as now stated. Others are "sea-

control" areas.

Part I Chapter D

Reference: Page 1-D-14, Chart 1.D.1 (CIA)

Comment: Updated chart will be provided in mid-December.

Reference: Page 1-D-41, para 1, lines 6-7

Comment: Change "over \$100 billion to "close to the equivalent

of \$120 billion.

Rationale: The total cost to construct and equip the Soviet strategic

air-defense networks from 1965 to 1985 would have been

the equivalent of \$120 billion.

Part III Chapter G

Reference: Page III-G3, Table III.G.1 (CIA)

Comment: Table will be updated by mid-December.

Part III Chapter I

Reference: Page III-1-43, para 1 (CIA)

Comment: Suggest the paragraph be redrafted to reflect the costs this

program involves.

Rationale We believe the first and third sentences of this paragraph describe a very costly and restrictive program in too

optimistic terms.